

IC 6-1.1-19

Chapter 19. Public School Corporation Property Tax Controls

IC 6-1.1-19-1

Definitions

Sec. 1. As used in this chapter, the following terms have the following meanings, unless the context clearly requires otherwise:

(a) "School year" means the period of time from July 1 of each year until June 30 of the following year.

(b) "ADA" means, as to any school corporation, the average number of pupils in daily attendance in the school corporation, determined in accordance with the rules and regulations established by the Indiana state board of education.

(c) "Current ADA" means the most recently determined ADA for the school corporation in question.

(d) With the exception provided for in section 6(b) of this chapter, "ADA ratio" means, as to any school corporation, the quotient resulting from a division of that school corporation's current ADA by that school corporation's ADA for the school year ending in 1973. However, in any case in which the quotient is less than one (1), the ADA ratio for the school corporation is one (1).

(e) "General fund" means the fund that the governing body of each school corporation is required to establish by IC 21-2-11-2.

(f) With the exceptions provided for in sections 4.4(a)(4), 4.5(c), 6(b), and 6(c) of this chapter, "base tax levy" means the total dollar amount of the ad valorem tax levy for its general fund that was levied by a school corporation for taxes collectible in 1973, assuming one hundred percent (100%) tax collection.

(g) "Excessive tax levy" means a school corporation's general fund ad valorem property tax levy for a calendar year which exceeds the maximum general fund ad valorem property tax levy permitted under section 1.5 of this chapter.

(h) "Normal tax levy" means the total dollar amount of any general fund ad valorem property tax levy that is made by a school corporation for a calendar year, and that is not an excessive tax levy.

(i) "Tax control board" means the school property tax control board established by section 4.1 of this chapter.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1977(ss), P.L.3, SEC.1; Acts 1978, P.L.34, SEC.1; Acts 1979, P.L.208, SEC.7; P.L.20-1984, SEC.2; P.L.1-1991, SEC.39; P.L.1-1993, SEC.30; P.L.25-1995, SEC.33; P.L.2-1996, SEC.215.

IC 6-1.1-19-1.5 Version a

General fund ad valorem property tax levy; assessment ratio and adjustment factor

Note: This version of section effective until 1-1-2006. See also following version of this section, effective 1-1-2006.

Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined

by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for a calendar year beginning after December 31, 2004, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP THREE and not under STEP FOUR;

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP THREE; or

(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP THREE or STEP FOUR.

STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) five cents (\$0.05).

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) five cents (\$0.05).

STEP FIVE: Determine the result of:

(A) the STEP TWO (C), STEP THREE, or STEP FOUR result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

STEP SIX: Determine the result of:

(A) the STEP FIVE result; plus

(B) the product of:

(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by

(ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

(c) For purposes of this section, "total assessed value" with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(e) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001). All tax levies shall be computed by rounding the levy to the nearest dollar amount.

(f) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation may impose a general fund ad valorem property tax levy in the amount determined under STEP EIGHT of the following formula:

STEP ONE: Determine the quotient of:

(A) the school corporation's 2003 assessed valuation; divided by

(B) the school corporation's 2002 assessed valuation.

STEP TWO: Determine the greater of zero (0) or the difference between:

(A) the STEP ONE amount; minus

(B) one (1).

STEP THREE: Determine the lesser of eleven-hundredths (0.11) or the product of:

(A) the STEP TWO amount; multiplied by

(B) eleven-hundredths (0.11).

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) one (1).

STEP FIVE: Determine the product of:

- (A) the STEP FOUR amount; multiplied by
- (B) the school corporation's general fund ad valorem property tax levy for calendar year 2003.

STEP SIX: Determine the lesser of:

- (A) the STEP FIVE amount; or
- (B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents (\$0.05).

STEP SEVEN: Determine the result of:

- (A) the STEP SIX amount; plus
- (B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the part of any excessive levy and the levy for new facilities.

STEP EIGHT: Determine the result of:

- (A) the STEP SEVEN result; plus
- (B) the product of:
 - (i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by
 - (ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

As added by Acts 1978, P.L.34, SEC.2. Amended by Acts 1979, P.L.208, SEC.8; Acts 1982, P.L.46, SEC.1; P.L.65-1985, SEC.17; P.L.24-1986, SEC.18; P.L.382-1987(ss), SEC.52; P.L.5-1988, SEC.43; P.L.345-1989(ss), SEC.1; P.L.51-1990, SEC.1; P.L.1-1991, SEC.40; P.L.240-1991(ss2), SEC.48; P.L.277-1993(ss), SEC.84; P.L.278-1993(ss), SEC.3; P.L.1-1994, SEC.26; P.L.38-1994, SEC.1; P.L.340-1995, SEC.41; P.L.30-1996, SEC.2; P.L.260-1997(ss), SEC.48; P.L.273-1999, SEC.129; P.L.291-2001, SEC.89; P.L.90-2002, SEC.173; P.L.224-2003, SEC.136; P.L.276-2003, SEC.1; P.L.1-2004, SEC.27 and P.L.23-2004, SEC.29.

IC 6-1.1-19-1.5 Version b

General fund ad valorem property tax levy

Note: This version of section effective 1-1-2006. See also preceding version of this section, effective until 1-1-2006.

Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

- (1) "Adjustment factor" means the adjustment factor determined

by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the part of the school corporation's previous year general fund property tax rate imposed for the school corporation's tuition support levy (as defined in IC 21-3-1.7-5), but before the reductions in IC 21-3-1.7-5.

(b) Except as otherwise provided in this chapter, a school corporation may not impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, the result under this STEP for the school corporation is the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(i) the STEP ONE result; or

(ii) three cents (\$0.03); or

(B) is less than the school corporation's previous year property tax rate, the result under this STEP is the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(i) the absolute value of the STEP ONE result; or

(ii) eight cents (\$0.08); or

(C) equals the school corporation's previous year property tax rate, the result under this STEP is the school corporation's adjusted target property tax rate.

STEP THREE: Divide the school corporation's total assessed value by one hundred dollars (\$100).

STEP FOUR: Multiply the STEP TWO result by the STEP THREE result.

STEP FIVE: Determine the sum of the following:

(A) The STEP FOUR result.

(B) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(C) The part of the maximum general fund levy for the year that equals the original amount of the levy by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.

(D) The amount determined under item (iv) of the following formula:

(i) Determine the target revenue per ADM under IC 21-3-1.7-6.7 for each charter school that included at least one (1) student who has legal settlement in the school corporation in the charter school's current ADM.

(ii) For each charter school, multiply the item (i) amount by the number of students who have legal settlement in the school corporation and who are included in the charter school's current ADM.

(iii) Determine the sum of the item (ii) amounts.

(iv) Multiply the item (iii) amount by thirty-five hundredths (0.35).

In determining the number of students for purposes of this clause, each kindergarten pupil shall be counted as one-half (1/2) pupil.

(c) For purposes of this section, "total assessed value" with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(e) All tax rates and tax levies computed under this section shall be computed by rounding in conformity with IC 21-3-1.7-7.

As added by Acts 1978, P.L.34, SEC.2. Amended by Acts 1979, P.L.208, SEC.8; Acts 1982, P.L.46, SEC.1; P.L.65-1985, SEC.17; P.L.24-1986, SEC.18; P.L.382-1987(ss), SEC.52; P.L.5-1988, SEC.43; P.L.345-1989(ss), SEC.1; P.L.51-1990, SEC.1; P.L.1-1991, SEC.40; P.L.240-1991(ss2), SEC.48; P.L.277-1993(ss), SEC.84; P.L.278-1993(ss), SEC.3; P.L.1-1994, SEC.26; P.L.38-1994, SEC.1; P.L.340-1995, SEC.41; P.L.30-1996, SEC.2; P.L.260-1997(ss), SEC.48; P.L.273-1999, SEC.129; P.L.291-2001, SEC.89; P.L.90-2002, SEC.173; P.L.224-2003, SEC.136; P.L.276-2003, SEC.1; P.L.1-2004, SEC.27 and P.L.23-2004, SEC.29; P.L.246-2005, SEC.60.

IC 6-1.1-19-1.6 Repealed

(Repealed by P.L.65-1985, SEC.19.)

IC 6-1.1-19-1.7

Levy excess; validity; disposition of fund

Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a

school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes.

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The department of local government finance shall require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the school corporation for that year.

As added by Acts 1980, P.L.43, SEC.2. Amended by P.L.64-1985, SEC.2; P.L.342-1989(ss), SEC.3; P.L.58-1991, SEC.1; P.L.41-1993, SEC.19; P.L.90-2002, SEC.174; P.L.23-2004, SEC.30 and P.L.1-2004, SEC.28.

IC 6-1.1-19-1.8

Repealed

(Repealed by P.L.65-1985, SEC.19.)

IC 6-1.1-19-2

Excessive levy; reduction; appeals

Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum normal tax levy.

(c) If a county board of tax adjustment approves, or recommends the approval of, an excessive tax levy for a school corporation, the auditor of the county for which the county board is acting shall reduce the excessive tax levy to the maximum normal tax levy. Such a reduction shall be set out in the notice required to be published by the auditor under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as provided under IC 6-1.1-17 as modified by this chapter.

(d) Appeals from any action of a county board of tax adjustment or county auditor in respect of a school corporation's budget, tax levy, or tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding IC 6-1.1-17, a school corporation may appeal to the department of local government finance for emergency financial relief for the ensuing calendar year at any time before:

(1) September 20; or

(2) in the case of a request described in section 4.7(a) of this chapter, December 31;

of the calendar year immediately preceding the ensuing calendar year.

(e) In the appeal petition in which a school corporation seeks emergency financial relief, the appellant school corporation shall allege that, unless it is given the emergency financial relief for which it petitions, it will be unable to carry out, in the ensuing calendar year, the public educational duty committed to it by law, and it shall support that allegation by reasonably detailed statements of fact.

(f) When an appeal petition in which a school corporation petitions for emergency financial relief is filed with the department of local government finance, the department shall include, in the notice of the hearing in respect of the petition that it is required to give under IC 6-1.1-17-16, a statement to the effect that the appellant school corporation is seeking emergency financial relief for the ensuing calendar year. A subsequent action taken by the department of local government finance in respect of such an appeal petition is not invalid, however, or otherwise affected, if the department fails to include such a statement in the hearing notice.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1977(ss), P.L.3, SEC.2; P.L.66-1985, SEC.1; P.L.90-2002, SEC.175; P.L.178-2002, SEC.29; P.L.23-2004, SEC.31.

IC 6-1.1-19-3

Appeal to department of local government finance; revision

Sec. 3. When an appeal is taken to the department of local government finance under IC 6-1.1-17 or under this chapter by, or in

respect of, any school corporation, the department may exercise those powers to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation that are defined in IC 6-1.1-17 subject to the provisions of this chapter. The department of local government finance may not exercise any of those powers until it receives, in respect to the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.90-2002, SEC.176.

IC 6-1.1-19-4

Repealed

(Repealed by P.L.1-1991, SEC.41.)

IC 6-1.1-19-4.1

School property tax control board; membership; appeal petitions; hearings; production of records; summons

Sec. 4.1. (a) To assist the department of local government finance in deciding the merits of any appeal filed under IC 6-1.1-17 or under this chapter with the department by, or in respect of, any school corporation, there is established the school property tax control board. This board shall consist of five (5) voting members and two (2) ex officio nonvoting members. In addition, the school property tax control board may include not more than four (4) additional voting members who shall be appointed as follows:

(1) One (1) member is to be appointed by the president pro tempore of the senate and must be a business official of a school corporation who is not employed by a school corporation that is undergoing a construction project.

(2) One (1) member is to be appointed by the president pro tempore of the senate and must be an engineer knowledgeable in the construction of school buildings but who is not actively employed by an engineering firm that is involved in a school building construction project or who is not otherwise a party to a contract for engineering services for a school building construction project.

(3) One (1) member is to be appointed by the speaker of the house of representatives and must be an architect knowledgeable in the design of school buildings but who is not actively employed by an architectural firm that is involved in a school building construction project or who is not otherwise a party to a contract for architectural services for a school building construction project.

(4) One (1) member is to be appointed by the speaker of the house of representatives and must be a financial adviser who is not actively employed as a financial adviser to a school corporation that is involved in a school building construction project or who is not otherwise a party to a contract for financial advisory services for a school building construction

project.

Of the mandatory five (5) voting members, one (1) shall be appointed by the state board of accounts, one (1) shall be appointed by the department of local government finance, and three (3) shall be appointed by the governor. The governor may seek the recommendation of the state superintendent of public instruction with regard to one (1) of the governor's appointments. Each of the remaining two (2) governor's appointees must be a citizen of Indiana who neither holds an elective or appointive office in the government of the state nor is regularly employed by the state. Each of the mandatory five (5) voting members and any additional voting members who may be appointed serves at the will of the appointing board or person. The speaker of the house of representatives shall appoint one (1) member of the house as one (1) of the ex officio nonvoting members of the tax control board. The president pro tempore of the senate shall appoint one (1) senator as the other ex officio nonvoting member of the tax control board. Each of the ex officio nonvoting members of the tax control board shall serve at the will of the appointing officer. A vacancy in the membership of the tax control board shall be filled by the appointing authority who made the appointment to the seat that is vacated. No member of the tax control board shall receive compensation for services as such a member, except as provided in subsections (g) and (h). Each of the members of the tax control board shall, before proceeding to the discharge of the member's duties as a member of the tax control board, subscribe and swear to a writing declaring the member's intention to support the Constitution of the United States and the Constitution of the State of Indiana and the member's intention to faithfully, honestly, and impartially discharge the member's duties as a member of the tax control board.

(b) The tax control board shall meet, as business may require, in rooms provided by the department of local government finance. The department of local government finance shall provide the tax control board with such staff and secretarial assistance as the tax control board may reasonably require. At each organizational meeting of the tax control board, which shall be held annually, the tax control board shall elect one (1) of its members chairman and another secretary.

(c) The department of local government finance shall promptly deliver to the tax control board every appeal petition that is filed under IC 6-1.1-17 or under this chapter with the department by, or in respect of, any school corporation. The department of local government finance shall also promptly deliver to the tax control board other materials related to the appeal petition as the department shall then or thereafter possess. Upon receiving an appeal petition, the tax control board shall proceed immediately to examine the petition and to consider the merits of the school corporation's appeal.

(d) The tax control board may conduct hearings on any appeal petition that is before the tax control board, and the tax control board may require any officer or member of the school corporation whose appeal petition is under consideration by the tax control board to

appear before the tax control board or to produce, before the tax control board, any books and records that the tax control board considers pertinent to the appeal, or both.

(e) If an officer or a member fails or refuses to appear at a hearing of the tax control board after having been given a written notice from the tax control board requiring the officer's or member's attendance, or fails or refuses to produce for the tax control board's use the books and records that the tax control board has, by written notice, required the officer or member to produce, the tax control board may file an affidavit in the circuit court in which jurisdiction of the person of the officer or member may be had, setting forth the facts of the failure or refusal. Upon the filing of the affidavit, the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons shall command the officer or member to appear before the tax control board, to provide information to the tax control board, or to produce books and records for the tax control board's use, as the case may be. Disobedience of the summons is punishable as a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of the affidavit and the issuance and service of the summons under this section shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the action of the officer or member was taken in good faith and with reasonable cause. If the court finds that the officer or member acted in good faith and with reasonable cause or if an affidavit has been filed without the issuance of a summons, the expenses shall:

(1) be charged against the county in which the affidavit has been filed; and

(2) be allowed by the proper fiscal officers of that county.

(g) Each member of the tax control board who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

As added by P.L.1-1991, SEC.42. Amended by P.L.25-1995, SEC.34; P.L.6-1997, SEC.87; P.L.90-2002, SEC.177.

IC 6-1.1-19-4.2

Approval of school building construction projects

Sec. 4.2. The department of local government finance in

determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project shall consider the following factors:

- (1) The current and proposed square footage of school building space per student.
- (2) Enrollment patterns within the school corporation.
- (3) The age and condition of the current school facilities.
- (4) The cost per square foot of the school building construction project.
- (5) The effect that completion of the school building construction project would have on the school corporation's tax rate.
- (6) Any other pertinent matter.

As added by P.L.25-1995, SEC.35. Amended by P.L.90-2002, SEC.178.

IC 6-1.1-19-4.3

Repealed

(Repealed by P.L.2-1996, SEC.297.)

IC 6-1.1-19-4.4

Recommendation by tax control board

Sec. 4.4. (a) With respect to every appeal petition that is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter and that does not include a request for emergency financial relief, the tax control board shall, after the tax control board makes the study of the appeal petition and related materials that the tax control board considers necessary, recommend to the department, in respect of the particular appeal petition that:

- (1) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax levy, or tax rate for the ensuing calendar year be approved;
- (2) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax levy, or tax rate be disapproved and that the appellant school corporation's budget, tax levy, or tax rate be reduced as specified in the tax control board's recommendation;
- (3) the order of the county board of tax adjustment or the county auditor in respect of the appellant school corporation's budget, tax levy, or tax rate be disapproved and that the appellant school corporation's budget, tax levy, or tax rate be increased as specified in the tax control board's recommendation; or
- (4) combined with a recommendation allowed under subdivision (1), (2), or (3), the adjusted base tax levy for the school corporation be increased if the school corporation can show a need for the increased adjusted base levy due to:

(A) the opening after December 31, 1972, of a new school facility; or

(B) the opening after July 1, 1988, of an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space.

The adjusted base levy increase, if approved by the tax control board, shall be an amount equal to the increase in costs resulting to the school corporation from the opening and operation of the new school facility or the reopening and operation of an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space. In determining those increased costs, the tax control board shall consider the costs to the school corporation of complying with safety, health, space, heat, or lighting standards required by state or federal law or regulation, and the other physical operation costs that in the opinion of the tax control board justify an adjustment in the school corporation's adjusted base levy.

(b) With respect to an appeal petition described in this section, the tax control board may not make a recommendation that, if followed by the department of local government finance, would authorize the appellant school corporation for the ensuing calendar year:

(1) to collect a general fund tax levy in excess of the general fund tax levy initially adopted and advertised by the appellant school corporation;

(2) to impose a general fund tax rate in excess of the general fund tax rate initially adopted and advertised by the appellant school corporation; or

(3) to collect an excessive tax levy.

As added by P.L.2-1996, SEC.216. Amended by P.L.90-2002, SEC.179.

IC 6-1.1-19-4.5

Appeal petitions; emergency financial relief; referendum

Sec. 4.5. (a) With respect to every appeal petition that is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter and that includes a request for emergency financial relief (except an appeal petition described in section 4.7 of this chapter), the tax control board shall, after having made the study of the appeal petition and related materials that the tax control board considers necessary, make an appropriate recommendation to the department of local government finance. If the appeal petition requests an excessive tax levy under subsection (c), the tax control board shall expedite the board's review as necessary to permit the referendum to be conducted without a special election. In respect of the appeal petition, the tax control board may make to the department of local government finance any of the recommendations described in section 4.4(a) of this chapter, subject to the limitations described in section 4.4(b) of this chapter.

(b) In addition, if the tax control board concludes that the

appellant school corporation cannot, in the ensuing calendar year, carry out the public educational duty committed to the appellant school corporation by law if, for the ensuing calendar year, the appellant school corporation does not receive emergency financial relief, the tax control board may recommend to the department of local government finance that the order of the county board of tax adjustment or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be approved, or disapproved and modified, as specified in the tax control board's recommendation and that the appellant school corporation receive emergency financial relief from the state, on terms to be specified by the tax control board in the board's recommendation, in the form of:

- (1) a grant or grants from any funds of the state that are available for such a purpose;
- (2) a loan or loans from any funds of the state that are available for such a purpose;
- (3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- (4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- (5) permission to the appellant school corporation to:
 - (A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's cumulative building fund; or
 - (B) use, for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's cumulative building fund;
- (6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or
- (7) a combination of the emergency financial relief described in subdivisions (1) through (6).

(c) In addition to, or in lieu of, any recommendation that the tax control board may make under this section, the tax control board may recommend that the appellant school corporation be permitted to make a referendum tax levy for the ensuing calendar year under this subsection. The recommendation may not be put into effect until a majority of the individuals who vote in a referendum that is conducted in accordance with the following requirements approves the appellant school corporation's making a referendum tax levy for the ensuing calendar year:

- (1) Whenever:
 - (A) the tax control board recommends to the department of local government finance that the appellant school corporation be permitted to make a referendum tax levy for

the ensuing calendar year if a majority of the individuals voting in a referendum held in the appellant school corporation approves the appellant school corporation's making a referendum tax levy;

(B) the department of local government finance gives the board's written approval of the recommendation; and

(C) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted;

the tax control board shall proceed in accordance with this subsection.

(2) The question to be submitted to the voters in the referendum must read as follows:

"For the ____ (insert number) calendar year or years immediately following the holding of the referendum, shall the school corporation impose a property tax rate that does not exceed _____ (insert amount) cents (\$0.____) (insert amount) on each one hundred dollars (\$100) of assessed valuation and that is in addition to the school corporation's normal tax rate?"

The voters in a referendum may not approve a referendum tax levy that is imposed for more than seven (7) years. However, a referendum tax levy may be reimposed or extended under this subsection.

(3) The tax control board shall act under IC 3-10-9-3 to certify the question to be voted on at the referendum to the county election board of each county in which any part of the appellant school corporation lies. Each county clerk shall, upon receiving the question certified by the tax control board, call a meeting of the county election board to make arrangements for the referendum. The referendum shall be held in the next primary or general election in which all the registered voters who are residents of the appellant school corporation are entitled to vote after certification of the question under IC 3-10-9-3. However, if the referendum would be held at a primary or general election more than six (6) months after certification by the tax control board, the referendum shall be held at a special election to be conducted not less than ninety (90) days after the question is certified to the circuit court clerk or clerks by the tax control board. The appellant school corporation shall advise each affected county election board of the date on which the appellant school corporation desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the appellant school corporation. The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum. If a primary election, general election, or special election is held during the sixty (60) days preceding or following the special election described in this subdivision and is held in an election district that includes some, but not all, of the school

corporation, the county election board may also adopt orders to specify when the registration period for the elections cease and resume under IC 3-7-13-10. Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1. If the referendum is not conducted at a primary or general election, the appellant school corporation in which the referendum is to be held shall pay all of the costs of holding the referendum.

(4) Each county election board shall cause the question certified to the circuit court clerk by the tax control board to be placed on the ballot in the form prescribed by IC 3-10-9-4. The county election board shall also cause an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum is to be held.

(5) The individuals entitled to vote in the referendum are all of the registered voters resident in the appellant school corporation.

(6) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify those two (2) totals to the county election board of each county in which the referendum is held. The circuit court clerk of each county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the tax control board. Upon receiving the certification of all of the votes cast in the referendum, the tax control board shall promptly certify the result of the referendum to the department of local government finance. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question, the department of local government finance, upon being notified in the manner described in this subsection of the result of the referendum, shall take prompt and appropriate steps to notify the appellant school corporation that the appellant school corporation is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, a referendum tax levy not greater than the amount approved in the referendum. The referendum tax levy may be imposed for the number of calendar years approved by the voters following the referendum for the school corporation in which the referendum is held. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question, the school corporation shall establish a referendum tax levy fund under IC 21-2-11.6. A school corporation's referendum tax levy may not be considered in the determination of the school corporation's state tuition support under IC 21-3-1.7 or the determination of the school corporation's maximum general fund tax levy under this chapter and IC 21-3-1.7. If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question, the

appellant school corporation may not make any tax levy for its general fund other than a normal tax levy, and another referendum under this subsection may not be held for a period of one (1) year after the date of the referendum.

(d) With respect to any school corporation to which a loan or advance of state funds is made under this section, or for which such a loan or an advance is recommended, for purposes other than the purpose specified in section 4.7 of this chapter, the tax control board may recommend to the department of local government finance that the school corporation be authorized, for a specified calendar year, and solely for the purpose of enabling the school corporation to repay the loan or advance, to collect an excessive tax levy. A recommendation under this subsection must specify the amount of the recommended excessive tax levy. Upon receiving the recommendation from the tax control board, and without any other proceeding, the department of local government finance may authorize the school corporation, for a specified calendar year, to make an excessive tax levy in accordance with the recommendation of the tax control board or in accordance with a modification of the recommendation that the department of local government finance determines is proper. Whenever the department of local government finance exercises the power given to the department of local government finance under this subsection, the department of local government finance shall, in the department's order to the affected school corporation, specify the amount of the authorized excessive tax levy and take appropriate steps to ensure that so much of the proceeds of the excessive tax levy as should be used for loan repayment purposes is not used for any other purpose. The department of local government finance may not exercise the power described in this subsection to authorize any school corporation to collect an excessive tax levy for more than one (1) calendar year in any period of four (4) consecutive calendar years.

As added by P.L.1-1991, SEC.44. Amended by P.L.2-1997, SEC.19; P.L.90-2002, SEC.180; P.L.85-2002, SEC.1; P.L.66-2003, SEC.54; P.L.14-2004, SEC.184.

IC 6-1.1-19-4.6

Projects financed by bonds maturing more than 25 years from bond issuance not approved

Sec. 4.6. The department of local government finance in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project may not approve or recommend the approval of a project that is financed through the issuance of bonds if the bonds mature more than twenty-five (25) years after the date of the bonds' issuance.

As added by P.L.2-1996, SEC.217. Amended by P.L.90-2002, SEC.181.

IC 6-1.1-19-4.7

Relief in event of revenue shortfall

Sec. 4.7. (a) With respect to every appeal petition that:

- (1) is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter; and
- (2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted:

(A) whenever:

- (i) erroneous assessed valuation figures were provided to the school corporation;
- (ii) erroneous figures were used to determine the school corporation's total property tax rate; and
- (iii) the school corporation's general fund tax levy was reduced under IC 6-1.1-17-16(d); or

(B) because of the payment of refunds that resulted from appeals under this article and IC 6-1.5;

the tax control board shall recommend to the department of local government finance that the school corporation receive emergency financial relief. The relief shall be in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter, or in a combination of the forms of relief specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter.

(b) The tax control board shall, if the tax control board determines that a shortfall exists as described in subsection (a), recommend that a school corporation that appeals for the purpose stated in subsection (a) be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between:

- (1) the school corporation's property tax levy for a particular year as finally approved by the department of local government finance; and
- (2) the school corporation's actual property tax levy for the particular year.

(c) With respect to each appeal petition that:

- (1) is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter;
- (2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted because of a delinquent property taxpayer; and
- (3) the tax control board finds that the balance in the school corporation's levy excess fund plus the property taxes collected for the school corporation is less than ninety-eight percent (98%) of the school corporation's property tax levy for that year, as finally approved by the department of local government finance;

the tax control board may recommend to the department of local government finance that the school corporation receive emergency financial relief in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter and be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between the school corporation's property tax levy for a particular

year, as finally approved by the department, and the school corporation's actual property tax collections plus any balance in the school corporation's levy excess fund.

(d) Every recommendation made by the tax control board under this section shall specify the amount of the excessive tax levy. The department of local government finance may authorize the school board to make an excessive tax levy in accordance with the recommendation without any other proceeding. Whenever the department of local government finance authorizes an excessive tax levy under this subsection, the department shall take appropriate steps to ensure that the proceeds of the excessive tax levy are first used to repay any loan authorized under sections 4.3 through 5.3 of this chapter.

As added by P.L.1-1991, SEC.45. Amended by P.L.43-1992, SEC.2; P.L.1-1993, SEC.31; P.L.90-2002, SEC.182; P.L.1-2004, SEC.29 and P.L.23-2004, SEC.32.

IC 6-1.1-19-4.9

Emergency financial relief acceptance conditions; prohibited actions

Sec. 4.9. (a) This section does not apply to a school corporation that receives emergency financial relief under section 4.5(c) or section 4.7 of this chapter.

(b) Every school corporation with respect to which the tax control board recommends, and the department of local government finance authorizes, emergency financial relief under section 4.5 of this chapter (including relief in the form of an authorization to make an excessive tax levy) is, if the school corporation accepts the authorized relief, prohibited throughout any calendar year in which or for which the school corporation receives the emergency financial relief from taking any of the prohibited actions described in this subsection until the action is recommended by the tax control board to the department and authorized by the department. The prohibited actions are any of the following:

- (1) The acquisition of real estate for school building purposes, the construction of new school buildings, or the remodeling or renovation of existing school buildings.
- (2) The making of a lease of real or personal property for an annual rental or the incurring of any other contractual obligation (except an employment contract for a new employee, which contract is to supersede the contract of a terminating employee) calling for an annual outlay by the school corporation in excess of ten thousand dollars (\$10,000).
- (3) The purchase of personal property for a consideration in excess of ten thousand dollars (\$10,000).
- (4) The adoption or advertising of a budget, tax levy, or tax rate for any calendar year.

(c) If a school corporation subject to the controls described in subsection (b) takes any of the actions described in subsection (b) without having first obtained the recommendation of the tax control

board and the department of local government finance's authorization for the action, the department may take appropriate steps to reduce or terminate any emergency financial relief that the school corporation may then be receiving under section 4.5 of this chapter. *As added by P.L.1-1991, SEC.46. Amended by P.L.90-2002, SEC.183.*

IC 6-1.1-19-5

Repealed

(Repealed by P.L.85-1987, SEC.6.)

IC 6-1.1-19-5.1

Analysis of financial impact of transfer tuition; excess levy for deficit; increased general fund levy

Sec. 5.1. (a) A school corporation may conduct an analysis of that school corporation's:

- (1) total transfer tuition payments actually made or estimated to be made on behalf of students transferring from the school corporation; and
- (2) total revenue actually received or estimated to be received by the school corporation on behalf of students transferring to the school corporation;

to determine the net financial impact of transfer tuition on the particular school corporation for the school year ending in the calendar year immediately preceding the ensuing calendar year or the calendar year that precedes the ensuing calendar year by two (2) years, or both. If the school corporation determines from the analysis that the amount of revenue received by the school corporation under subdivision (2) is less than the amount of transfer tuition payments made by the school corporation under subdivision (1), the school corporation may include the amount attributable to the difference between the subdivision (1) and subdivision (2) amounts in the school corporation's appeal for an excessive levy under this chapter. However, a school corporation may not include the amount of a particular deficit in more than one (1) appeal.

(b) A school corporation may appeal to the department of local government finance under this chapter to increase the school corporation's maximum permissible general fund levy for the following year by the amount described in subsection (a). Upon the demonstration by the school corporation to the department of local government finance that the amount of transfer tuition payments received by the school corporation under subsection (a)(2) is less than the amount of transfer tuition payments made by the school corporation under subsection (a)(1), the department shall grant the increase described in this section.

(c) If a school corporation is granted an increase under this section, the amount attributable to the increase may not be included in the school corporation's adjusted base levy for the year following the year in which the increase applies or the school corporation's determination of tuition support.

(d) A levy increase described in this section may be based on an estimate of transfer tuition payments paid or received by a school corporation. If the actual difference between the transfer tuition payments made by a school corporation and the transfer tuition payments received by a school corporation for a school year is less than the estimate used to grant a levy increase described in this section, the department of local government finance may reduce the levies imposed by a school corporation by the amount of the overage. *As added by P.L.36-1994, SEC.7. Amended by P.L.260-1997(ss), SEC.49; P.L.90-2002, SEC.184.*

IC 6-1.1-19-5.3

Mathematical errors in data affecting levy; correction

Sec. 5.3. (a) The tax control board may recommend to the department of local government finance a correction of mathematical errors in data that affect the determination of:

- (1) a school corporation's adjusted base levy;
- (2) a school corporation's excessive tax levy; or
- (3) a school corporation's normal tax levy.

(b) The department of local government finance may correct mathematical errors in data for any school corporation.

As added by P.L.1-1991, SEC.47. Amended by P.L.90-2002, SEC.185.

IC 6-1.1-19-5.4

Maximum operating costs levy; approval by department of local government finance

Sec. 5.4. (a) A school corporation may appeal to the department of local government finance under this chapter to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for its transportation fund under IC 21-2-11.5. To be granted an increase by the department of local government finance, the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

- (1) A fuel expense increase.
- (2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared to the previous year.
- (3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared to the previous year.
- (4) Increased transportation operating costs due to compliance with a court ordered desegregation plan.
- (5) The closure of a school building within the school corporation that results in a significant increase in the distances

that students must be transported to attend another school building.

In addition, before the department of local government finance may grant a maximum operating costs account levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The department of local government finance may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation.

(b) If the department of local government finance determines that a permanent increase in the maximum permissible operating costs levy is necessary, the maximum operating costs levy after the increase granted under this section becomes the school corporation's maximum permissible transportation fund's operating costs account levy under IC 21-2-11.5.

As added by P.L.25-1995, SEC.37. Amended by P.L.53-1996, SEC.1; P.L.90-2002, SEC.186.

IC 6-1.1-19-6

School corporations not imposing levy for preceding year; prerequisites to tax levy

Sec. 6. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until that general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised and considered by the proper county board of tax adjustment as provided by law, is reviewed by the tax control board, which shall make its recommendations in respect thereof to the department of local government finance, and is approved by the department.

(b) For all purposes relevant to this chapter:

- (1) the adjusted base levy for a school corporation that must have its levy approved under subsection (a) is the total dollar amount of the ad valorem tax levy for its general fund that, after being approved, is made by the school corporation for taxes collectible in the first full calendar year after the approval; and
- (2) the ADA ratio for a school corporation that must have its levy approved under subsection (a) is the quotient resulting from a division of the school corporation's current ADA by the ADA first determined after the approval for the school corporation in accordance with the rules and regulations established by the state board of education.

(c) For purposes of this chapter:

- (1) where territory is transferred from one (1) school corporation to another after April 4, 1973, under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, ADA, current ADA, and ADA ratio shall be interpreted, insofar as possible, as though the pupils in the territory had been transferred in the school year ending in 1973; and

(2) where territory is transferred from one (1) school corporation to another after June 1, 1978, under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, adjusted base levy, normal tax levy, and the other terms used in this chapter shall be interpreted, insofar as possible, as though the assessed valuation of the territory had been transferred prior to March 1, 1977, in accordance with rules and a final determination by the department of local government finance.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1978, P.L.34, SEC.4; Acts 1979, P.L.31, SEC.3; P.L.20-1984, SEC.3; P.L.90-2002, SEC.187; P.L.1-2005, SEC.89.

IC 6-1.1-19-7

Department of local government finance action on control board recommendations; effect of untimely action by department; appeal

Sec. 7. (a) Any recommendation that is to be made by the tax control board to the department of local government finance pursuant to any provision of this chapter shall be made at such a time as is prescribed in this chapter and, if no time for the making of such a recommendation is prescribed in this chapter, then the recommendation shall be made at such a time as will permit the department to complete those duties of the department that are defined in IC 6-1.1-17 within the time allowed by law for the completion of those duties, or such additional time as is reasonably necessary for the department and the tax control board to complete the duties provided by this chapter. No tax levy shall be invalid because of the failure of either the tax control board or the department of local government finance to complete its duties within the time or time limits provided by this chapter or any other law. Subject to the provisions of this chapter, the department of local government finance may accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to it under this chapter and may make any order that is consistent with the provisions of IC 6-1.1-17. The department of local government finance may not approve or authorize an excessive tax levy except in accordance with the provisions of this chapter.

(b) A school corporation may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.2-1995, SEC.24; P.L.90-2002, SEC.188; P.L.256-2003, SEC.20.

IC 6-1.1-19-8

Department of local government finance approval of school financing matters; department action; appeals

Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to incur

bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5 not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness;
- (2) enter into the lease agreement; or
- (3) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

- (1) establishes that additional classroom space is necessary; and
- (2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this

section.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1980, P.L.44, SEC.1; P.L.41-1993, SEC.20; P.L.25-1995, SEC.38; P.L.90-2002, SEC.189; P.L.256-2003, SEC.21; P.L.1-2005, SEC.90.

IC 6-1.1-19-9

Repealed

(Repealed by P.L.65-1985, SEC.19.)

IC 6-1.1-19-10

School corporations; applicability; minority student; racial balance fund; ad valorem property tax

Sec. 10. (a) This section applies to a school corporation that:

- (1) is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);
- (2) is a party to a lawsuit alleging that its schools are segregated in violation of the Constitution of the United States or federal law;
- (3) desires to improve or maintain racial balance among two (2) or more schools within the school corporation, regardless of the school corporation's basis for desiring to improve or maintain racial balance; and
- (4) has a minority student enrollment that comprises at least ten percent (10%) of its total student enrollment, using the most recent enrollment data available to the school corporation.

(b) As used in this section, "minority student" means a student who is black, Spanish American, Asian American, or American Indian.

(c) A school corporation may establish a racial balance fund and petition the school property tax control board to impose an ad valorem property tax to raise revenue for the fund. However, before a school corporation may impose an ad valorem property tax under this section, the school corporation must file a petition with the school property tax control board. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed property tax levy.
- (4) Any other item required by the school property tax control board.

(d) The school property tax control board may recommend to the department of local government finance that a school corporation be allowed to establish a racial balance fund to be funded by an ad valorem property tax levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

(1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.

(2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 21-2-15 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

(e) The department of local government finance shall review the petition of the school corporation and the recommendation of the school property tax control board and:

(1) disapprove the petition if the petition does not comply with this section;

(2) approve the petition; or

(3) approve the petition with modifications.

(f) A property tax levy under this section is in addition to, and not part of, the school corporation's general fund property tax levy for purposes of determining the school corporation's maximum permissible general fund property tax levy under this chapter.

(g) Money received from a property tax levy under this section shall be deposited in the school corporation's racial balance fund established under this section. Money in the fund may be used only for education programs that improve or maintain racial balance in the school corporation. Money in the fund may not be used for:

(1) transportation; or

(2) capital improvements;

even though those costs may be attributable to the school corporation's proposed programs for improving or maintaining racial balance in the school corporation.

As added by P.L.82-1989, SEC.1. Amended by P.L.12-1992, SEC.22; P.L.6-1997, SEC.88; P.L.90-2002, SEC.190.

IC 6-1.1-19-10.5

Approval of excessive levy resulting from intercept action; repayment schedule

Sec. 10.5. Notwithstanding the order of the department of local government finance in the matter of the excessive levy appeal for emergency financial relief for Jay County School Corporation, the department shall grant approval of an excessive levy to a school corporation that has requested the excessive levy as a result of an intercept action. Such relief shall be granted as an advance of state funds to be paid back to the treasurer of state in two hundred forty (240) payments of:

(1) thirteen thousand eight hundred eighty-two dollars (\$13,882) beginning on January 15, 2001, and ending May 15, 2003; and

(2) equal installment amounts beginning June 15, 2003, and ending with final payment on December 31, 2020.

As added by P.L.291-2001, SEC.241. Amended by P.L.90-2002, SEC.191; P.L.224-2003, SEC.259.

IC 6-1.1-19-11

Tax levy limits imposed by IC 6-1.1-19-1.5; bank personal property

Sec. 11. (a) The ad valorem property tax levy limits imposed by section 1.5 of this chapter do not apply to general fund ad valorem property taxes imposed on personal property of banks that became subject to assessment in 1989 and thereafter because of IC 6-1.1-2-7.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 1.5 of this chapter, a school corporation's general fund ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed on bank personal property as provided in subsection (a).

As added by P.L.347-1989(ss), SEC.4. Amended by P.L.1-1990, SEC.73.

IC 6-1.1-19-12

Distribution of property tax revenues to charter schools

Sec. 12. (a) Not later than the date on which the department of local government finance certifies a final action under IC 6-1.1-17-16, the department of local government finance shall provide to each county auditor the amount determined under IC 20-24-7-2(c)(6) for each charter school attended by a student who has legal settlement in both the county and a school corporation located in the county.

(b) This subsection applies beginning with the first distribution of property taxes to a school corporation after December 31, 2003. At the same time a county auditor distributes property taxes to a school corporation, the county auditor shall distribute to a charter school the amount described in subsection (a) for the charter school.

(c) A distribution of property taxes to a school corporation does not include an amount distributed under subsection (b).

As added by P.L.276-2003, SEC.2. Amended by P.L.1-2005, SEC.91.